

REMARKS

The Applicant has reviewed the Office Action and the references relied upon by the Examiner. With regards to the Examiners rejection of the independent claims 1 and 10, the Examiner cites as prior art *Andersen, et al* (U.S. Patent No. 5,774,883, issued June 30, 1998, hereinafter "*Andersen*") in view of *Regan* (U.S. Patent No. 6,898,574, issued May 24, 2005). With regards to the Examiners rejection of the independent claim 8, the Examiner cites as prior art *Andersen* and an article published by *Business Wire* on March 7, 2000, entitled "GartnerGroup Says EBay and AutoTrader.com Partnership Should Improve Conversion Purchasing Rates for Online Used Cars" (hereinafter *Business Wire*). The Applicant disagrees with the Examiner's rejections for the specific reasons set forth below:

A. The *Business Wire* article is not prior art

In rejecting claims 8-9, the Examiner relies upon the *Business Wire* article which was published on March 7, 2000. However, with reference to the Applicant's Declaration under 37 CFR 1.131, which was submitted in an office communication of May 1, 2006, the claimed inventions were invented prior to that date. The Applicant therefore respectfully requests that the Examiner withdraw the rejection of Claims 8-9.

B. *Regan* is not analogous prior art

The Examiner relies on *Regan* to reject both independent claims 1 and 10. However, *Regan* is not within the scope of the relevant prior art and therefore cannot be relied upon by the Examiner in rejecting the claims. In order to rely on *Regan* as a basis for the rejecting the claims as obvious, the Examiner must show that the reference is in the field of applicant's endeavor. If *Regan* is not in the field of the applicant's endeavor, then the Examiner must show that that the

reference is reasonably pertinent to the particular problem with which the inventor was concerned. The Applicant contends that neither requirement is met.

First, *Regan* discloses a transaction processing system and method for use “in the recovery process of a property unit such as a vehicle or other collateral,” which is used, for example, after the borrower has defaulted on a loan or the vehicle is stolen. (*See Regan Abstract*). The systems and methods disclosed in *Regan* generally simplify the vehicle recovery process by providing a central repository for information which can be accessed by a number of different involved parties. *Regan* also discloses systems and methods for coordinating the recovery process which allows, for example, a party to access digitally imaged and generated documents, generate invoices, or assign tasks to various parties. In contrast, the present invention relates to a method and a system for facilitating the transfer of titled property between two private individuals.

Second, *Regan* does not deal with or discuss any problems which are in any way similar to the problems which are solved by the present invention. *Regan* deals with the problems that lenders and insurers face during the life of a loan or insurance transaction, especially during recovery of the collateral after a default or theft. (*See Regan cols. 1-2*). *Regan* specifically cites that conventional arrangements require extensive human and material resources at each stage of the transaction and provide great opportunity for the introduction of error. To solve these problems, *Regan* teaches an automated system for storing and providing information and instructions to a large number of participants who are involved in the vehicle recovery process. Although *Regan* does briefly discuss the sale of the vehicle during the recovery process (*see Regan*, col. 9, lines 48-62 and col. 11, lines 35-48), *Regan* neither discuss or solves the problems that exist during the sale of a vehicle from one private party to another private party. Instead,

Regan merely suggests that the system can be used either to assign a sales agent the task of selling the unit or to auction off the vehicle. In contrast, the methods and systems of the present inventions solve many unresolved problems which exist during private sales – for example, the difficulty of private, individual sellers to offer financing to a potential buyer like a dealer would or to obtain escrow services to ensure that the transaction is safely completed. Moreover, the present inventions solve the problems which exist when a private individual trades in a used vehicle for the purchase of a new vehicle.

C. *Regan* does not disclose providing an escrow service

The Examiner asserts that *Regan* discloses the claim limitation calling for providing an escrow service and refers to Figure 1, col. 2 lines 50-63, col. 3 lines 18-68, and col. 9 lines 9-33 for support. The Applicant respectfully disagree with the Examiners assertions for the following reasons:

First, Figure 1 does not disclose providing an escrow service and instead merely discloses a transaction processing system which is linked to an escrow/title agent computer via a communications network. Moreover, the specification of *Regan* does not describe in any detail how the escrow/title agent is involved in the recovery process, other than the fact that the agent's computer is tied into the system and that undefined tasks can be assigned to the agent. (See *Regan* Figure 1 and col. 4 lines 30-50).

Second, *Regan*'s specification does not disclose an escrow service. At the specific cites provided by the Examiner, *Regan* merely describes a Document Module which is capable of generating, warehousing, and delivering electronic copies of documents, a Registration, Filing and Reporting Module which is capable of registering, filing, reporting, accounting for and providing online access to or links for various registrations, an Electronic Invoice, Billing and

Payment Process Module which provides electronic invoicing or payment processing, and a Recovery Module which directs information and recovery assignment to a variety of agents. None of these Modules constitute an escrow service.

Third, even if the Examiner is correct that *Regan* does disclose providing an escrow service, *Regan* does not disclose providing an escrow service during a sale of a titled asset, much less providing an escrow service during the private sale of a titled asset, as called for by the claims. While *Regan* does briefly discuss the sale of a repossessed vehicle at col. 9 lines 48-62 and col. 11 lines 35-48, such does not qualify as a private sale between two parties.

D. *Andersen* does not disclose the validating steps or services of claims 1, 8, and 10

Independent claims 1, 8 and 10 are amended to specify that the party performing the method steps of claims 1 and 8 or providing the services of claim 10 is not the seller. The Applicant believes that this limitation was present in the claims as originally drafted and makes this amendment for clarification purposes only.

Claim 1 is a method for facilitating asset-based financing in a private sale of a titled asset, wherein the claimed steps are performed by a party who has not previously taken title to the asset. Claim 8 is a method for facilitating asset-based financing in a private sale of a titled vehicle, wherein the claimed steps are performed by a party who has not previously taken title to the asset. Claim 10 is a system for facilitating asset-based financing in a person-to-person sale of a titled asset, wherein the services are provided by a party who has not previously taken title to the asset. Claims 1, 8 and 10 specify that the steps and services are to be performed in the context of a private sale or a person-to-person sale. These limitations are not disclosed or suggested by *Andersen*.

In contrast to the claims of the present invention, *Andersen* refers to a method of validating the sale of an asset from an automotive dealership to a buyer, wherein the validation is performed by employees of an automotive dealership. In *Andersen*, the title to the asset has already been delivered from the private seller to the automotive dealership. First of all, such a transaction does not constitute a private or person-to-person sale, as called for by the claims. Moreover, the party validating the sale, the automotive dealership, is the seller, a scenario which is specifically excluded by the claims. In the present application, it is the very method of combining services which are then offered to private parties, without the involvement of any third party (i.e. automotive dealership), and without intermediate transfer of ownership which is at issue.

Conclusion

For the foregoing reasons, the Applicant respectfully requests that a timely Notice of Allowance be issued in this case. The Applicant does not believe that any fees are due in connection with this filing. In the event that the Applicant is incorrect, you are authorized to withdraw any necessary fee(s) from the deposit account of Baker & McKenzie (Acct. No. 02-0400). When making deductions from our deposit account, we ask that you reference our Attorney Docket Number **A2A-101**.

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Respectfully submitted,

A handwritten signature in black ink, appearing to read 'D. Tallitsch', written over a horizontal line.

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